

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Agriculture – Weather Based Crop Insurance Scheme on Pilot basis – Notifying Red Chilly Crop (Irrigated/Unirrigated) in Guntur District under Weather Based Crop Insurance Scheme (WBCIS) on Pilot basis during Kharif 2009 season – Notification issued .

AGRICULTURE & COOPERATION (F.P.II)DEPARMENT

G.O.Ms.No: 230

Dated: 01/9/2009

Read the following:

- 1.From the Department of Agriculture & Cooperation ,
Ministry of Agriculture, Government of India, New Delhi,
Letter No: 13011/01/2008-Credity II, Dated: 12.3.2009.**
- 2.G.O.Rt.No: 655, Dated: 12.6.2006, Agriculture &
Cooperation (F.P.II)Department.**
- 3.From the Commissioner & Director of Agriculture,
Hyderabad, Rc.No: Crop Ins (2)220/2009, Dated: 30.8.2009.**

ORDER:

Government, aiming to mitigate the hardship of the insured farmers against the likelihood of financial loss on account of anticipated crop loss resulting from incidence of adverse conditions of weather parameters like deficit and excess rainfall, hereby introduce “Weather Based Crop Insurance Scheme” on Pilot basis for Red Chilly Crop in Guntur District for Kharif 2009 season , and issue the following Notification of Red Chilly Crop (irrigated/unirrigated) in Guntur district duly de-notifying from the “Mandal Insurance Unit” under National Agriculture Insurance Scheme:

NOTIFICATION

“ The Red Chilly Crop (irrigated/unirrigated) in Guntur District is here by notified under “Weather Based Crop Insurance Scheme” on Pilot basis during Kharif 2009 season”

The Main features/ Operational modalities of the WBCIS on Pilot basis are that:

1. CROP NOTIFIED:

The crop selected is “Red chilly” (Irrigated, Un-irrigated) under WBCIS . Red Chilly (Irrigated) and Red Chilly (Unirrigated) crops are de-notified in respect of Guntur district alone under NAIS for Kharif 2009 season.

2. REFERENCE WEATHER STATION:

List of Reference Unit Areas (RUA) / Mandals notified along with a list of corresponding Reference Weather Stations (RWS) and Back up Weather Stations (BWS) is at Annexure-I.

3. AREA APPROACH:

Reference unit areas are linked to specific reference weather stations and the reference unit areas are the Geographical areas situated around the reference weather stations, which is deemed to be reflective of the Reference Weather Stations’ for weather data. To the extent feasible, such Reference Unit-Area shall be restricted to 15-25km radius around the Reference Weather Station in case of Rainfall and Relative humidity.

4. FARMERS ELIGIBLE FOR COVERAGE:

All the Farmers (including sharecroppers and tenant Farmers) growing the Notified Crop i.e., Red Chilly either Irrigated or Unirrigated in any of the Reference Unit Areas shall be eligible for coverage.

The Scheme shall be:

Compulsory: For all Loanees Farmers i.e. those who have sanctioned Credit Limit from Financial Institutions (Co.op Banks, Commercial Banks, RRB's etc.) for the Notified Crop in a Reference Unit Area.

Voluntary: For Non -Loanees Farmers ie. those who do not have Sanctioned Credit Limit from any Financial Institutions for the Notified Crop in a Reference Unit Area.

5. PERILS COVERED:

Following are the weather perils, which are deemed to cause "Adverse Weather Incidence", leading to crop loss, shall be covered under the Scheme:

(i) Deficit Rainfall (ii) Excess Rainfall (iii) Relative Humidity

6. RISK PERIOD : Risk period commences from 16th September 2009 and the coverage of critical stages of crop growth periods are given below and in Annexure II A & II B

S.No	Name of the cover	Stage of crop growth	Period: From - to --
1	Deficit Rainfall (mm)	Flowering	16 th September,2009 to 31 st October,2009
2	Deficit Rainfall (mm)	Fruit Development	1 st November,2009 to 31 st January,2010
3	Excess Rainfall (mm)	Flowering	16 th October,2009 to 30 th November,2009
4	Excess Rainfall (mm)	Fruit Development	15 th December,2009 to 28 th February,2010
5	Relative Humidity (%)		1 st November,2009 to December,2009

7. RISK ACCEPTANCE PERIOD:

From the date of notification till 15th September, 2009

8. SEASONALITY DISCIPLINE: Seasonality Discipline and the broad cut-off dates are indicated below:

SL No.	ACTIVITY	For Loanees Farmers	For Non-loanees Farmers
1	Cut off date for risk coverage	Having availed the Loan / Sanctioned Credit Limit by 15 th September, 2009	Submission of Proposals on or before 15 th September, 2009
2	Submission of Declaration by Nodal Banks/other notified Depts. to Agriculture Insurance Company of India	On or before 15 th October, 2009	On or before 30 th September , 2009

9. COVERAGE PROCEDURE:

- (a) Insurance Coverage of Loanees Farmers shall be through the existing network of Financial Institutions at the grass-root level using Nodal Bank systems as in National Agricultural Insurance Scheme (NAIS).
- (b) Insurance coverage of Non-loanee Farmers shall be through the existing network of Financial Institutions at the grass-root level; Dept. of Agriculture/Horticulture, the Insurance Intermediaries and Authorized Representative of Agriculture Insurance Company.
- (c) Nodal Bank Branches shall be paid by Agriculture Insurance Company of India a service charge of 5% on the actual premium amount remitted by them, being in the nature of sharing the incidental management expenses incurred by them for servicing the Scheme.
- (d) Operational Modalities to the Financial Institutions, Insurance Intermediaries etc., would be communicated by Agriculture Insurance Company of India.
- (e) The assessment of compensation shall be made on Reference Unit Area basis, but not on Individual basis.

10. SUM INSURED:

Sum Insured is equivalent to the total cost of cultivation i.e. Rs.1,50,000/- per hectare in respect of Red Chilly (Irrigated) and Rs.1,00,000/- per hectare for Red Chilly (Unirrigated) crop

Maximum payout will be limited to Sum Insured only.

Loanee Farmers : Area under cultivation' for the Notified Crop as already declared by the cultivator in the Loan Application form for the purpose of fixing his "Maximum Borrowing Limit (MBL)" "by the Lending Financial Institutions, multiplied by the stipulated Sum Insured per hectare.

Non-Loanee Farmers: The Cultivators shall declare the 'area under cultivation' for each Notified Crop in the Insurance Proposal Form. Sum Insured will be equal to the declared area multiplied by sum insured per hectare.

11. PREMIUM RATE & SUBSIDY:

Actuarial premium rate i.e. 8.10% will be applicable for Red chilly crop in Guntur district. Premium will be calculated on the basis of Sum Insured.

Premium sharing and subsidy of the full premium: Of the Full Premium, only a part i.e., 4.8% of the premium rate shall be payable by the insuring cultivators and the balance shall be borne by the Central Government and State Government on 50:50 basis and paid up-front to Agriculture Insurance Company of India as Premium Subsidy. It is clarified that as far as Agriculture Insurance Company of India is concerned, risk incepts only upon receiving the FULL PREMIUM.

TABLE SHOWING THE PREMIUM SHARING PER ACRE								
Name of the Crop	Sum Insured per Acre Rs./-	Premium Rate	Premiu m Rs./-	Service Tax Rs./-	Total Premium Rs./-	Subsidy from State Govt. Rs./-	Subsidy from Govt. of India Rs./-	Farmers Contribution Rs./-
Red Chilly Irrigated	60,000	8.10%	4,860	501	5,361	1,092	1,092	3,177
Red Chilly Unirrigated	40,000	8.10%	3,240	334	3,574	728	728	2,118

When the acreage expressed in hectares the conversion shall be adopted

12. COMPENSATION PAY-OUT:

Payout computation shall be based on the notified weather parameters and the details of triggers are specified in the term sheet as shown in item 17. Compensation pay out within 45days from the end of contract period subject to receipt of premium and weather data in time.

TRIGGER WEATHER: Trigger Weather is pre-defined and being notified as per annexure – II A & B with reference to the weather parameters and Reference Unit Area as detailed above for the Red Chilly crop and has been fixed so keeping in mind the broad moisture/water or other weather parameter requirement of Red Chilly crop in Guntur District.

13. SUBMISSION & STORING OF WEATHER DATA:

Weather data shall be provided by Automatic Weather Station set up by Andhra Pradesh State Disaster Mitigation Society of Planning Department, of Govt. of Andhra Pradesh to Agriculture Insurance Company on day to day basis for the season.

REFERENCE WEATHER STATION:

This refers to the Automatic Weather Station operating for the particular Reference Unit Area (as detailed in the Annexure I)operating for the relevant Reference Unit Area for generating the Weather Data during the current season based on which payouts are processed.

BACK-UP WEATHER STATION:

It is a substitute Weather Station to be used only in case the weather data from Reference Weather Station for the current season is unavailable for any reason. Names of both Reference and Back-up Weather Stations are detailed in annexure I.

14. PAY-OUT DISBURSEMENT:

(a) Pay-outs shall normally be made by Agriculture Insurance Company of India to the Nodal Banks within 45 days of closing of insurance period subject to receipt of the necessary actual weather data.

(PTO)

(b) The Pay-out procedure shall be automatic; and Payouts shall be automatically computed by Agriculture Insurance Company of India on the basis of Actual Weather Data received and the Pay-out shall be automatically credited to the Insured's Bank Account.

15. ADMINISTRATION OF THE SCHEME:

The Scheme shall be administered by Agriculture Insurance Company of India subject to the discharge of the roles and responsibilities of the other Agencies/Financial Institutions/Govt. Departments/Committees as laid down in the Scheme Document and its Operational Modalities issued by the Government of India in the reference 1st read above.

16. PUBLICITY & AWARENESS:

Dept. of Agriculture/Horticulture shall take up wide publicity and awareness camps in coordination with Agriculture Insurance Company to popularize the scheme and mobilize coverage of maximum number of loanee and non-loanee farmers.

17. TERM SHEET:

The term sheet (Annexure II A & B) contains the details of triggers for deficiency in rainfall, excess rainfall at two different critical stages i.e., flowering and fruit development stages and relative humidity during the months of November and December, 2009, the payout structure etc.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**RACHEL CHATTERJEE
PRINCIPAL SECRETARY TO GOVERNMENT**

To

1. The Director, Printing & Stationery within a request to publish the above Notification in A.P. Extra Ordinary Gazette of Andhra Pradesh and to furnish 10 copies of the same to Government and 50 copies to the Commissioner & Director of Agriculture, A.P., Hyd.

2. The Commissioner & Director of Agriculture, A.P., Hyderabad.

Copy to :

P.S. to Special Secretary to Chief Minister.

P.S. to Minister for Agriculture.

P.S. to Principal Secretary to Government, Agriculture.

P.A. to Special Secretary to Government, Agriculture.

Sf/Sc.

// FORWARDED :: BY ORDER//

SECTION OFFICER